

Personal Entrepreneurial Skills in Small Scale Industries in Baros District, Sukabumi City

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ABSTRACT

Sukabumi City is a region in West Java which borders Sukabumi Regency. This city does not have any potential natural tourist attractions and it has only little natural resources. However, this city is one of the most advanced cities in West Java Province and one of the first cities which have succeeded in relieving poverty. Economic activities in this city are focused on industry and trade. The strategic position of the area, which is surrounded by Sukabumi Regency, and its status as one of buffer cities of the capital of Jakarta have caused this city to have good market potential for industry and trade activities. Small scale industries are one of the economic supports of Sukabumi City. This is the researcher's objective in studying personal entrepreneurial skills. Meanwhile, the population of this research is small scale industries operating in Baros District, Sukabumi City, amounting to 63 small industries. The sample of this research is 35 small industries located in Baros District. The approach applied is the quantitative method. The research result shows that personal entrepreneurial skills of entrepreneurs of small scale industries in Sukabumi City are at the moderate condition. The dimension with the highest score is "persistent" and the lowest is "ability to manage change".

Keywords: Personal Entrepreneurial Skills, Small Scale Industries.

I. INTRODUCTION

Sukabumi City relies on industry to carry out its local development. The city encourages industry to flourish because it does not have any potential natural resources, both mining and natural tourist attractions. The culinary industry is one of industries with the most entrepreneurs compared to other sectors.

The problem faced by small entrepreneurs is how to improve their business growth. Based on the initial observation and interviews, it has been identified that many small scale enterprises cannot grow well. They are trapped in routineness. It makes them seem to be stagnant. In this case, the role of the entrepreneurs, who also serve as the managers, has a fundamental function. In the context of small scale industries the role of the owner will much determine whether the enterprise will flourish or not.

This phenomenon also occurs in Baros District, which is one of the districts in Sukabumi City, West Java Province. This district comprises 4 (four) subdistricts.

There are 63 small industries operating in Baros District. Most of them are located in Baros Subdistrict and the least are in Jaya Karsa Subdistrict. However, in terms of quality, or considering the stability factor and business growth, many entrepreneurs still run into problems in growing towards a bigger scale of business. Based on the initial observation and interviews, information has been obtained that the entrepreneurs have not been skillful in making changes and innovations. It makes their business scale not be able to develop well. Based on the phenomenon, the author will elaborate to what extent personal entrepreneurial skills owned by the entrepreneurs running their business in Baros District, Sukabumi City.

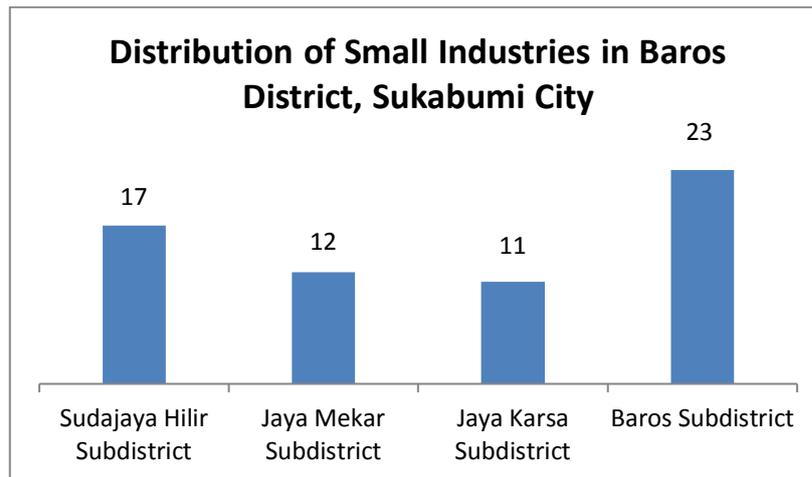


Figure 1.1

Distribution of Small Industries in Baros District, Sukabumi City

II. THEORETICAL BACKGROUND

Primiana's study in 2000 resulted in some findings related to the problem of small and medium enterprises (SME):

1. The role of 'intermediation' has not been coordinated integrally among institutions/agencies which conduct the function of developing and fostering SME.
2. There has been no criterion for the success of the fostering of SME from one time to another, therefore it seems that the fostering which has been conducted is only a short-term one and it is not a unity that supports each other and sustainable for a long term.

Churchill and Lewis (1983:2) stated: "Categorizing the problems and growth patterns of small businesses in a systematic way that is useful to entrepreneurs seems at first glance a hopeless task. Small businesses vary widely in size and capacity for growth. They are characterized by independence of action, differing organizational structures, and varied management styles."

This opinion proposes that categorizing the problems and growth patterns of small businesses in a systematic way is useful to entrepreneurs. They are characterized by independence of action, differing organizational structures, and varied management styles.

The problems are the matters that must be settled and their solution must be attempted. In small industries the role of entrepreneurs, who often also serve as the managers, much determine the growth of small industries. The figures of entrepreneurs become the central actor in facing various problems. Personal skills or personality of will be the basis of the entrepreneurs' behavior in operating their business activities.

"Personal entrepreneurial skills" is a term proposed by Hisrich (2005). Other experts proposed the terms "characteristics of entrepreneurs", "personality of entrepreneurs", and "spirit and attitude of entrepreneurs". Some experts proposed the following concept:

People who dare to start and to try to develop their business certainly have positive values instilled in their spirit. Meredith et al. (2002:5-6), suggested important true values of entrepreneurs as follows:

1. Self-confidence
2. Task-result oriented
3. Risk-taker
4. Leadership
5. Originality: Creativity and Innovation
6. Future-oriented

Entrepreneurship is a combination of one's attitude and conviction in facing tasks and works, which is internal, highly relative and dynamic, and much determined by the ability to start, to conduct, and to finish a work. Self-confidence will affect ideas, intention, initiative, creativity, courage, perseverance, working spirit, and passion to work. The key success in business is to understand the self. Therefore, successful entrepreneurs are those who are independent and self-confident.

Different from Meredith et al, Everett E. Hagen more emphasized entrepreneurship in the following characteristics of innovational personality

- a. "Openness to experience,
- b. Creative imagination,
- c. Confidence and content in one's own evaluation,
- d. Satisfaction in facing and attacking problems and in resolving confusion or inconsistency,
- e. Has a duty or responsibility to achieve,
- f. Intelligence and energetic."

Hagen (2000:39)

Not all people are able to conduct the creative and innovative process proposed above. Both attitudes, according to Suryana (2003:12) are only owned by people with the following spirit and attitude of entrepreneurship:

- a. Self-confident (confident, optimistic, and full of commitment)
- b. Taking the initiative (energetic and self-confident)
- c. Having the motive for achievement (result-oriented and future-oriented)
- d. Having a leadership spirit (dare to look different and dare to take calculated risks)
- e. Relishing a challenge.

Hisrich, et al. (2005:21) proposed that elements of personal entrepreneurial skills comprise 1) Inner control, 2) Risk-taker, 3) Innovative, 4) Change oriented, 5) Persistent, 6) Visionary leader and 7) Ability to manage change.

III. RESEARCH METHOD

The population of this research is small scale industries operating in Baros District, Sukabumi City, which numbered 63. The sample of this research is 35 small industries located in Baros District. The approach applied in this research is the quantitative method. Data collection techniques were deployed through distribution of closed questionnaires, observation, interviews, literature studies, and documentation.

IV. DISCUSSION

Seven dimensions proposed by Hisrich et al. (2005:21) were used to measure or to assess the entrepreneurial skills from the aspect of entrepreneurs' personality (personal entrepreneurial skills). Hisrich et al. offered elements of personal entrepreneurial skills as follows: "Personal Entrepreneurial Skills: Inner control, Risk-taker, Innovative, Change oriented, Persistent, Visionary leader and Ability to manage change." The following is the recapitulation result of personal entrepreneurial skills of entrepreneurs of small industries operating their business in Baros District, Sukabumi City.

**Table 4.1. Personal Entrepreneurial Skills
of Entrepreneurs in Baros District**

No	Personal Entrepreneurial Skills Element	%
1	Inner control	68
2	Risk-taker	76
3	Innovative	68
4	Change oriented	72
5	Persistent	81
6	Visionary leader	65
7	Ability to manage change	58
Average		69.7

The table above shows that the condition of personal entrepreneurial skills of entrepreneurs of small scale industries in Baros District belongs to a category of moderate (69.7%). It indicates that the condition of personal characteristics of entrepreneurs generally has not been optimum. Each of elements will be discussed in the following section.

“Inner control” is the element of entrepreneurial skills which means to what extent the entrepreneurs have self-control attitude in starting, running, and developing their business. This element is important considering that entrepreneurs have freedom in authority and management of their business that it contains the potential to be uncontrolled. In small scale enterprises or industries an entrepreneur often has double roles, as the owner and the director. The ability to control the self is much needed, in order that the entrepreneurs are able to run their business towards the expected growth.

Based on the calculation result, small entrepreneurs in Baros District have the inner control attitude of 68%. It shows that many small entrepreneurs still have difficulty in controlling the self when running their business.

Compared to “inner control”, the ability to play a role as “risk-taker” has a better condition (76%). It seems in their initiative when they founded and started the business, which needs courage. They said risks are a common occurrence that they have to face as entrepreneurs. The entrepreneurs sometimes sustain losses when running their business. These losses also pose as one of unavoidable risks. Based on the information from some entrepreneurs, the courage to take risks of opening new branches or elevating the business scale has not been demonstrable. It is due to their unpreparedness to face a bigger risk.

“Innovation” conducted by the entrepreneurs has not emerged well (68%). It appears in business routineness carried out for years which has not created a breakthrough. It relates to the role as “risk-taker” which has not been optimum. These two elements much relate to each other because innovation contains risks that must be faced. There are only a few of the companies in Baros District, Sukabumi City, which dare to make innovation, for example, more modern packages.

“Change oriented” attitude of entrepreneurs of small scale industries is still in the range of 72%. It means the change-oriented attitude of the entrepreneurs still needs an improvement. Assumption that business runs as routineness or “business as usual” still sticks in their mind. They know that to change is important but they also feel that it is not sure whether the change will generate a better profit. The reluctance to change has become a trap for them. They have been trapped in routineness so that their business scale is hard to improve.

Subsequently, entrepreneurs in Sukabumi City, in this case Baros District, have a sufficiently strong “persistent” attitude (82%). It illustrates that they have tenacity to run their business. It is, among other things, because the choice is limited. It means the majority of the small entrepreneurs in Baros District rely on their business as the only source of income to

sustain their life and their families. This reason is the main cause of their seriousness in running their business. Some entrepreneurs have sustained losses several times but it would not make them quit. It proves the strength of their “persistent” attitude in running their business.

“Visionary leader” is attitude that can make the company grow into a bigger scale business. How about the entrepreneurs of small scale industries in Baros District? In fact, it is only 65%, which means they have not reached a better capacity. As the business leader, many small entrepreneurs in Baros District have not viewed the position of their business in the future. Short-term thoughts are more dominant in the attitude of the entrepreneurs. They often just think of their business in few days or months ahead. Besides that, their education level also poses as one of the causes of the weak vision of the entrepreneurs. Most of them only graduated from high schools or lower levels of education. This condition makes them find difficulties in arranging the concept, prediction, and business model in the future.

The lowest element of personal entrepreneurial skills is “ability to manage change” with a score of 58%. Something that changes in the environment or the external condition makes the entrepreneurs find difficulties in managing them. According to the entrepreneurs, the hardest change occurred when the company was growing. They said business growth means the addition of employees, capital, and complexity. Therefore many entrepreneurs make a gradual change in a long period of time.

The following is a description of the condition of personal entrepreneurial skills of entrepreneurs of small scale industries in Baros District, Sukabumi City.

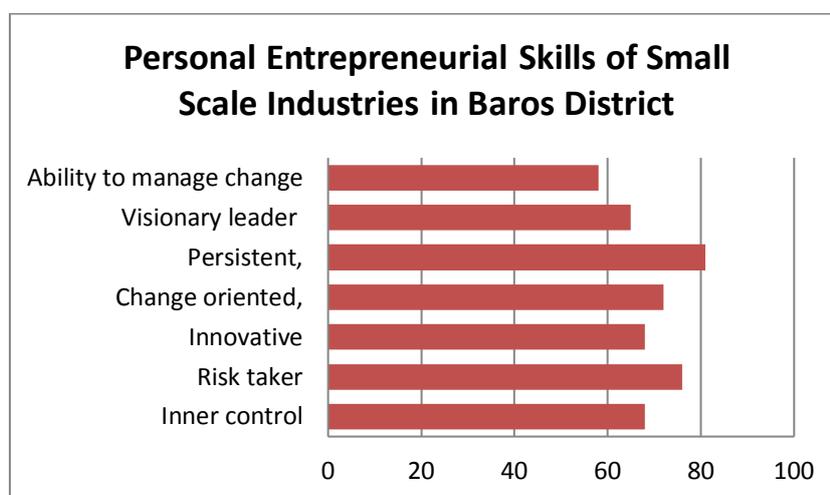


Figure 4.1. Comparative Diagram of Elements of Personal Entrepreneurial Skills of Entrepreneurs of Small Scale Industries in Baros District, Sukabumi City

Figure 4.1 informs that “persistent” is the most prominent element among the small entrepreneurs in Baros District. Meanwhile “ability to manage change” is the element with the lowest score among personal entrepreneurial skills. As a whole the condition of entrepreneurial skills in Baros District, Sukabumi City, belongs to a category of moderate (69.7).

V. CONCLUSION

Personal entrepreneurial skills indicate the characteristic of entrepreneurs in running and developing their business. Meanwhile their elements comprise inner control, risk-taker,

innovative, change orientation, persistent, visionary leader, and ability to manage change. The recapitulation result of those elements shows that the condition of personal entrepreneurial skills of small entrepreneurs in Baros District is moderate. The element with the highest score is “persistent” while the lowest score belongs to “ability to manage change”.

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